



Agenda Date: 12/19/2001
Agenda Item: 3H

STATE OF NEW JERSEY

Board of Public Utilities

*Two Gateway Center
Newark, NJ 07102*

CABLE TELEVISION

IN THE MATTER OF THE PETITION OF)
CABLEVISION MFR, INC.; CABLEVISION OF)
HUDSON COUNTY, INC.; CABLEVISION OF)
MONMOUTH, INC.; CABLEVISION OF NEWARK;)
CSC TKR, INC.; CABLE VISION OF PATERSON,)
INC.; CABLEVISION OF OAKLAND, INC.;)
CABLVISION OF ROCKLAND/RAMAPO, INC.;)
CABLEVISION OF WARWICK, INC. AND)
CABLEVISION OF MONTAGUE, INC. FOR)
APPROVAL OF INTERNAL REORGANIZATION)

ORDER OF APPROVAL

DOCKET NO: CO00030182

(SERVICE LIST ATTACHED)

BY THE BOARD¹:

On March 15, 2000 Cablevision MFR, Inc. ("MFR"), Cablevision of New Jersey, Inc. ("CNJ"), Cablevision of Hudson County, Inc. ("CHC"), Cablevision of Monmouth, Inc. ("CM"), Cablevision of Oakland, Inc. ("CO"), CSC TKR, Inc. ("CSC TKR"), Cablevision of Paterson, Inc., ("CP"), Cablevision of Rockland/Ramapo, Inc. ("Rockland/Ramapo"), Cablevision of Warwick, Inc. ("Warwick") and Cablevision of Montague, Inc. ("Montague"), all corporations existing under the laws of the State of Delaware, and each having its principal place of business at 1111 Stewart Avenue, Bethpage, New York, New York 11714; and Cablevision of Newark ("CN"), a partnership formed under the laws of the State of New York, having its principal place of business at 360 Central Avenue, Newark New Jersey 07103 (collectively referred to as the "Petitioners"), petitioned the Board of Public Utilities ("Board"), pursuant to the provisions of N.J.S.A. 48:5A-40, and N.J.A.C. 14:17-6.18, seeking Board approval to engage in a proposed internal reorganization (the "Transaction").

The Petition in this matter mistakenly refers to the Montague organization as Cablevision of Montague, Inc. The correct name is Montague Cable Company, Inc. On September 13, 2001, Petitioners modified their Petition with this name correction.

The following description and background is, in part, based upon representations made by the Petitioners, in its Petition, and in answers to subsequent discovery questions.

Collectively, the Petitioners own and operate cable television systems which provide cable television service to approximately 949,793 subscribers in one hundred seventy-nine (179) municipalities in Bergen, Essex, Hudson, Mercer, Middlesex, Monmouth, Morris, Passaic, Somerset, Sussex, Union and Warren Counties, New Jersey. (Cable Facts 2001)

¹ Commissioner Carol J. Murphy did not participate in the deliberations or vote on this matter.

Petitioners are all wholly owned, directly or indirectly, subsidiaries of CSC Holdings, Inc. CSC Holdings, Inc., a Delaware corporation, with offices located at 1111 Stewart Avenue, Bethpage, New York 11714, is a wholly owned subsidiary of Cablevision Systems Corporation, a Delaware corporation, also headquartered at that address. CSC Holdings, Inc. is a cable television multi-system operator ("MSO"), which, by itself or through subsidiaries, services approximately 3.2 million subscribers, primarily in the greater New York and Boston metropolitan areas.

According to the proposed Transaction, the following steps will be performed sequentially. MFR will be merged with and into CSC TKR. Rockland/Ramapo and Warwick will be converted into single member limited liability companies. The stock of CO will be transferred to CM. CO will subsequently be converted into a single member limited liability company. The stock of CP will be transferred to CHC. CP will subsequently be converted into a single member limited liability company. Montague will be merged into Warwick.

Petitioners represent there will be no changes in company policies by the surviving companies with respect to finances, operations, accounting, rates, depreciation, operating schedules, maintenance and management affecting the public interest. The Transaction will have no effect on the rates and programming of the Petitioners' subscribers.

Following submission of the Petition, the Petitioners provided written responses to written requests for additional information regarding the impact of the Transaction on the Petitioners' New Jersey cable television customers. In addition, the Petitioners provided information supporting the ability of Petitioners to continue to provide safe, adequate and proper service subsequent to the Transaction.

DISCUSSION

Staff has reviewed this Transaction and the documents submitted by the Petitioners, and has determined that, as a result of the terms of the Transaction, neither the Petitioners' systems' subscribers, the municipalities served, nor the public interest will be adversely affected by the Transaction. It should be noted that there is also no new lending or refinancing involved in the Transaction.

After a review of this matter, the Board FINDS the Transaction to be made is in accordance with law and in the public interest and, HEREBY APPROVES the internal corporate reorganization.

This Order is subject to the following conditions:

- 1) This Order shall not affect or in any way limit the exercise of the authority of the Board or the Office of Cable Television or the State of New Jersey in any future petition or in any proceeding regarding rates, cost of service, franchises, service, financing, accounting, capitalization, depreciation or any other matters affecting the Petitioners.
- 2) This Order shall not be construed as directly or indirectly fixing, for any purpose whatsoever, any value of tangible or intangible assets now owned or hereinafter to be owned by Petitioners.
- 3) This Order shall not be construed as affecting pending rate proceedings involving the Petitioners.
- 4) The Petitioners shall notify the Board, in writing, within five (5) days of the date on which the Transaction was completed.

- 5) Completion of the above referenced Transaction shall take place no later than ninety (90) days from the date of this Order, unless otherwise extended by the Board.
- 6) Petitioners shall file journal entries with the Board to record the Transaction approved herein within forty-five (45) days of closing.
- 7) Petitioners shall file a certification with the Board within thirty (30) days of the date of this Order that there are no significant changes in the final terms in the executed closing documents or final terms from those terms and conditions described herein and/or submitted to the Board with the Petition. Any such material deviation in the executed closing documents shall render this Order voidable by the Board.
- 8) Petitioners shall file within 45 days of the closing of the Transaction a revised tariff for cable television service reflecting the new ownership and listing all charges as required by the Board, the Office of Cable Television or the Federal Communications Commission.
- 9) Petitioners shall submit a petition pursuant to N.J.A.C. 14:17-6.8 for the transfer of the Certificate of Approval of Montague into Warwick within fourteen (14) days of the date of the Board's Order.

Petitioners to the Transaction shall comply with the New Jersey Cable Television Act and applicable sections of the New Jersey Administrative Code.

DATED: January 3, 2002

BOARD OF PUBLIC UTILITIES
BY:

(signed)

CONNIE O. HUGHES
PRESIDENT

(signed)

FREDERICK F. BUTLER
COMMISSIONER

ATTEST:

(signed)

HENRY M. OGDEN
ACTING SECRETARY

**IN THE MATTER OF CABLEVISION MFR, INC., CABLEVISION OF NEW JERSEY, INC.,
CABLEVISION OF HUDSON COUNTY, INC., CABLEVISION OF MONMOUTH, INC.,
CABLEVISION OF OAKLAND, INC., CSC TKR, INC., CABLEVISION OF PATERSON, INC.,
CABLEVISION OF ROCKLAND/RAMAPO, INC., CABLEVISION OF WARWICK, INC. AND
CABLEVISION OF MONTAGUE, INC.**

INTERNAL REORGANIZATION

DOCKET NO. CO00030182

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